



GONZALES UNIFIED SCHOOL DISTRICT

January 12, 2001

Board of Education

Lucy Basaldua
Alonzo Gonzalez
Timothy Handley
David Little

Grand Jury, County of Monterey
The Honorable Robert O'Farrell
P.O. Box 414
Salinas CA 93902

**Superintendent &
Secretary to the board**
Richard Averett, Ph.D.

RE: Response to the 2000 Monterey County Civil Grand Jury

Dear Honorable Robert O'Farrell:

The Gonzales Unified School District has always tracked lottery revenue and expenses.

The Gonzales Unified School District maintains two (2) separate sub-funds to record the revenue and expense of both restricted and unrestricted lottery funds.

Sub Fund 20 - Unrestricted Lottery funding

Sub Fund 14 - Restricted Lottery funding has been implemented to record and comply with the California's Cardena's Textbook Act of 2000.

Each fiscal year, at random, the State selects districts that must file a A J200L Supplementary Lottery Report. The Gonzales Unified School District provides the J-200L Supplementary Report each fiscal year as part of the year-end budget package to the board and public.

Please do not hesitate to call if you should need further information regarding this matter.

Sincerely,

Carol Powell
Comptroller

Gonzales Unified School District School Services

600 Elko Street
P.O. Drawer G
Gonzales, CA 93926
Telephone: (831) 675-0100
Facsimile: (831) 675-1172
Email: gusd@montereybay.com
www.geocities.com/gogusd

Gonzales High School

501 Fifth Street
Gonzales, California 93926
Telephone: (831) 675-2495
Facsimile: (831) 675-8054
www.geocities.com/ghs93926

Fairview Middle School

401 Fourth Street
Gonzales, California 93926
Telephone: (831) 675-3704
Facsimile: (831) 675-3274
www.geocities.com/fairview93926

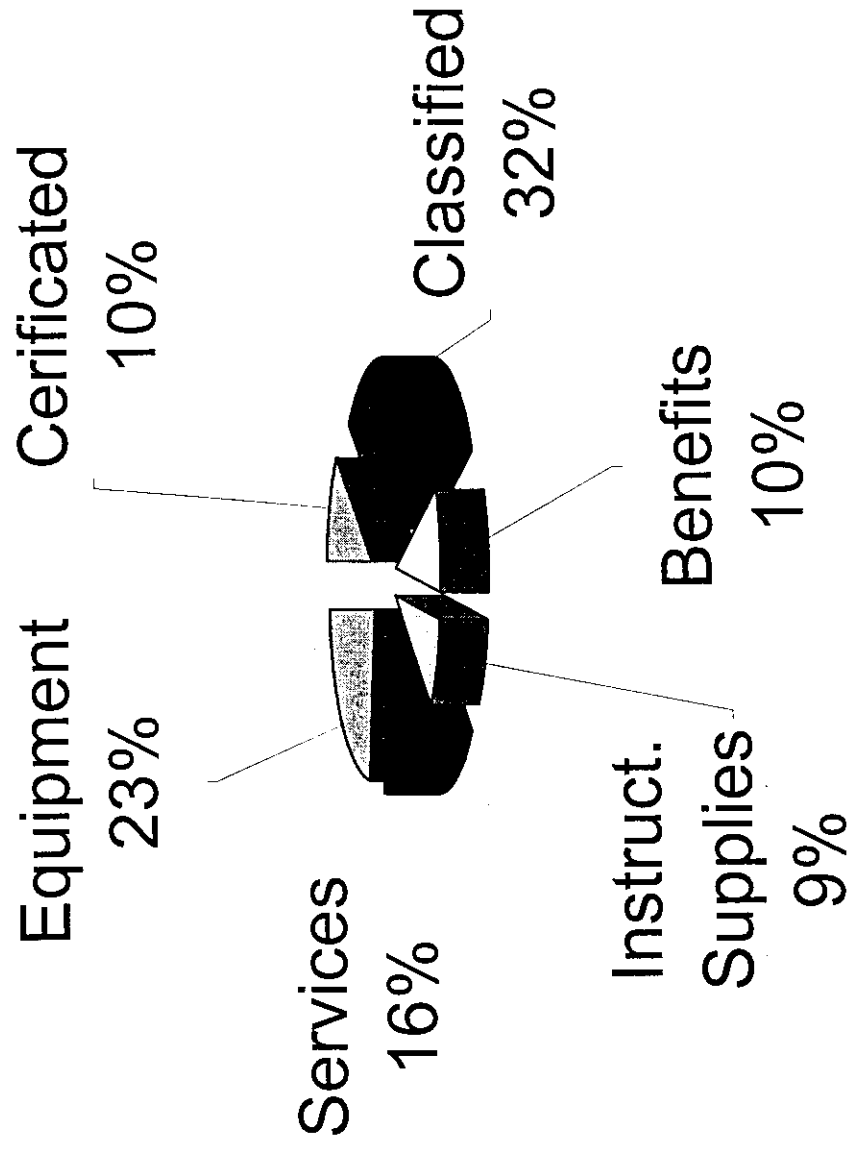
La Gloria Elementary School

220 Elko Street
Gonzales, California 93926
Telephone: (831) 675-3663
Facsimile: (831) 675-3260
www.geocities.com/lagloria93926

Special Services

300 Elko Street
Gonzales, CA 93926
Telephone: (831) 675-2727
Facsimile: (831) 675-0514

1999/2000 LOTTERY EXPENSES



■ Cerificated

■ Classified

□ Benefits

□ Instruct.
Supplies

■ Services

■ Equipment

CALIFORNIA CODES
GOVERNMENT CODE
SECTION 8880-8880.14

8880. Citation of Chapter

This Chapter shall be known and may be cited as the California State Lottery Act of 1984.

8880.1. Purpose and Intent

The People of the State of California declare that the purpose of this Act is support for preservation of the rights, liberties and welfare of the people by providing additional monies to benefit education without the imposition of additional or increased taxes.

The People of the State of California further declare that it is their intent that the net revenues of the California State Lottery shall not be used as substitute funds but rather shall supplement the total amount of money allocated for public education in California.

8880.2. Activities Not Affected

Except for the state-operated lottery established by this Chapter, nothing in this Chapter shall be construed to repeal or modify existing State law with respect to the prohibition of casino gambling, punch boards, slot machines, dog racing, video poker or blackjack machines paying prizes, or any other forms of gambling.

8880.3. Prohibition on Use of State Funds

No appropriations, loans, or other transfer of State funds shall be made to the California State Lottery Commission except for a temporary line of credit for initial start-up costs as provided in this Act.

8880.4. Revenues of the state lottery shall be allocated as follows:

(a) Not less than 84 percent of the total annual revenues from the sale of state lottery tickets or shares shall be returned to the public in the form of prizes and net revenues to benefit public education.

(1) Fifty percent of the total annual revenues shall be returned to the public in the form of prizes as described in this chapter.

(2) At least 34 percent of the total annual revenues shall be allocated to the benefit of public education, as specified in Section 8880.5. However, for the 1998-99 fiscal year and each fiscal year thereafter, 50 percent of any increase in the amount calculated pursuant to this paragraph from the amount calculated in the 1997-98 fiscal year shall be allocated to school districts and community college districts for the purchase of instructional materials, on the basis of an equal amount per unit of average daily attendance, as defined by law, and through a fair and equitable distribution system across grade levels.

(3) All unclaimed prize money shall revert to the benefit of public education, as provided for in subdivision (e) of Section 8880.32.

(4) All of the interest earned upon funds held in the State

Lottery Fund shall be allocated to the benefit of public education, as specified in Section 8880.5. This interest is in addition to, and shall not be considered as any part of, the 34 percent of the total annual revenues that is required to be allocated for the benefit of public education as specified in paragraph (2).

(5) No more than 16 percent of the total annual revenues shall be allocated for payment of expenses of the lottery as described in this chapter. To the extent that expenses of the lottery are less than 16 percent of the total annual revenues, any surplus funds also shall be allocated to the benefit of public education, as specified in this section or in Section 8880.5.

(b) Funds allocated for the benefit of public education pursuant to subdivision (a) are in addition to other funds appropriated or required under existing constitutional reservations for educational purposes. No program shall have the amount appropriated to support that program reduced as a result of funds allocated pursuant to subdivision (a). Funds allocated for the benefit of public education pursuant to subdivision (a) shall not supplant funds committed for child development programs.

(c) None of the following shall be considered revenues for the purposes of this section:

(1) Revenues recorded as a result of a nonmonetary exchange. "Nonmonetary exchange" means a reciprocal transfer, in compliance with generally accepted accounting principles, between the lottery and another entity that results in the lottery acquiring assets or services and the lottery providing assets or services.

(2) Reimbursements received by the lottery for the cost of goods or services provided by the lottery that are less than or equal to the cost of the same goods or services provided by the lottery.

(d) Reimbursements received in excess of the cost of the same goods and services provided by the lottery, as specified in paragraph (2) of subdivision (c), are not a part of the 34 percent of total annual revenues required to be allocated for the benefit of public education, as specified in paragraph (2) of subdivision (a). However, this amount shall be allocated for the benefit of public education as specified in Section 8880.5.

8880.5. Allocations for education:

The California State Lottery Education Fund is created within the State Treasury, and is continuously appropriated for carrying out the purposes of this chapter. The Controller shall draw warrants on this fund and distribute them quarterly in the following manner, provided that the payments specified in subdivisions (a) to (h), inclusive, shall be equal per capita amounts.

(a) Payments shall be made directly to public school districts, including county superintendents of schools, serving kindergarten and grades 1 to 12, inclusive, or any part thereof, on the basis of an equal amount for each unit of average daily attendance, as defined by law and adjusted pursuant to subdivision (m).

(b) Payments shall also be made directly to public school districts serving community colleges, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(c) Payments shall also be made directly to the Board of Trustees of the California State University on the basis of an amount for each unit of equivalent full-time enrollment. Funds received by the trustees shall be deposited in and expended from the California State University Lottery Education Fund which is hereby created.

(d) Payments shall also be made directly to the Regents of the University of California on the basis of an amount for each unit of equivalent full-time enrollment.

(e) Payments shall also be made directly to the Board of Directors of the Hastings College of the Law on the basis of an amount for each unit of equivalent full-time enrollment.

(f) Payments shall also be made directly to the California Maritime Academy Board of Governors on the basis of an amount for each unit of equivalent full-time enrollment.

(g) Payments shall also be made directly to the Department of the Youth Authority for educational programs serving kindergarten and grades 1 to 12, inclusive, or any part thereof, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(h) Payments shall also be made directly to the two California Schools for the Deaf, the California School for the Blind, and the three Diagnostic Schools for Neurologically Handicapped Children, on the basis of an amount for each unit of equivalent full-time enrollment.

(i) Payments shall also be made directly to the State Department of Developmental Services and the State Department of Mental Health for clients with developmental or mental disabilities who are enrolled in state hospital education programs, including developmental centers, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(j) No Budget Act or other statutory provision shall direct that payments for public education made pursuant to this chapter be used for purposes and programs (including workload adjustments and maintenance of the level of service) authorized by Chapters 498, 565, and 1302 of the Statutes of 1983, Chapter 97 or 258 of the Statutes of 1984, or Chapter 1 of the Statutes of the 1983-84, Second Extraordinary Session.

(k) School districts and other agencies receiving funds distributed pursuant to this chapter may at their option utilize funds allocated by this chapter to provide additional funds for those purposes and programs prescribed by subdivision (j) for the purpose of enrichment or expansion.

(l) As a condition of receiving any moneys pursuant to subdivision (a) or (b), each district and county superintendent of schools shall establish a separate account for the receipt and expenditure of those moneys, which account shall be clearly identified as a lottery education account.

(m) Commencing with the 1998-99 fiscal year, and each year thereafter, for the purposes of subdivision (a), average daily attendance shall be increased by the statewide average rate of excused absences for the 1996-97 fiscal year as determined pursuant to the provisions of Chapter 855 of the Statutes of 1997. The statewide average excused absence rate, and the corresponding adjustment factor required for the operation of this subdivision, shall be certified to the State Controller by the Superintendent of Public Instruction.

(n) It is the intent of this chapter that all funds allocated from the California State Lottery Education Fund shall be used exclusively for the education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other noninstructional purpose.

8880.6. Other Statutory Provisions

Sections 320, 321, 322, 323, 324, 325, 326, and 328 of the Penal Code do not apply to the California State Lottery or its operations. This exemption applies only to the operators of the Lottery and shall not be construed to change existing law relating to lotteries operated by persons or entities other than the Lottery.

8880.7. Governing Definitions

The definitions contained in this Chapter shall govern the construction of this Chapter unless the context requires otherwise.

8880.8. "Lottery" or "California State Lottery"

"Lottery" or "California State Lottery" means the California State Lottery created and operated pursuant to this Chapter.

8880.9. "Commissioner"

"Commissioner" means one of the members of the Lottery Commission appointed by the Governor pursuant to this Chapter to oversee the California State Lottery.

8880.10. "Director"

"Director" means the Director of the California State Lottery appointed by the Governor pursuant to this Chapter as the chief administrator of the California State Lottery.

8880.11. "Lottery Commission" or "Commission"

"Lottery Commission" or "Commission" means the five members appointed by the Governor pursuant to this Chapter to oversee the Lottery and the Director.

8880.12. "Lottery Game"

"Lottery Game" means any procedure authorized by the commission whereby prizes are distributed among persons who have paid, or who have unconditionally agreed to pay, for tickets or shares which provide the opportunity to win those prizes.

8880.13. "Lottery Game Retailer"

"Lottery Game Retailer" means a person or organization with whom the Lottery Commission may contract for the purpose of selling tickets or shares in Lottery Games to the public.

8880.14. "Lottery Contractor"

"Lottery Contractor" means a person or organization with whom the Lottery has contracted for the purpose of providing goods and services required by the Lottery.